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Raymond James' wealth unit again posts record profits, assets

By Rob Burgess
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Raymond James' winning streak for 2024 continued in the second three months of the year, which it calls the third quarter.

As they did last quarter, profits and client assets reached record heights at Raymond James' wealth management division, which it calls its Private Client Group (PCG). Net revenue for the group reached a new high of $2.42 billion, an 11% jump from the same quarter last year.

This growth was primarily driven by higher asset management and related administrative fees, reflecting growth of assets in fee-based accounts during the year, said Raymond James CEO Paul Reilly during an earnings call on Wednesday.

Its assets under management soared to $1.42 trillion — another new record and a 15% increase from June 2023 and a 2% increase over the last quarter.

"Year-over-year, results were bolstered by higher PCG assets under administration due to strong equity markets and net new assets brought into the firm," said Reilly.

The PCG's quarterly pre-tax income of $441 million was up 7% over the same time last year but down 1% compared to the preceding quarter.

Assets in fee-based accounts were $820.6 billion, up 18% over the same time last year, and up 3% over last quarter.

"In the PCG, next quarter's results will be positively impacted by the 3% sequential increase of assets and fee-based accounts," said Reilly. "Our advisor recruiting activity remains robust, and I am encouraged by a record number of large teams in the pipeline. We are focused on being a destination of choice for current and prospective advisors, which we believe over the long term should continue to drive industry-leading growth."

The firm's advisor headcount stayed roughly the same — as it did the last two quarters. As of June 30, the PCG had 8,782 financial advisors, a 1% increase from the same time the previous year.

"Recruiting activity remains strong, and existing and prospective advisors continue to be attracted to our advisor and client-focused culture and leading technology and product offerings," said Reilly.

Beyond wealth management, the St. Petersburg, Florida-based firm's company-wide numbers for the quarter were strong as well. Net income for the whole firm was $491 million, up 11% from June 2023. For shareholders, that comes out to $2.31 per diluted share, a 35% jump from one year ago.

"We are well-positioned entering the fourth quarter with strong competitive positioning in all of our businesses and solid capital and liquidity base to invest in future growth," said Reilly.